

P-421/C-90-305 DENYING COMPLAINT

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Complaint by the Minnesota
Department of Public Service Regarding the
Closing of Northwestern Bell Telephone
Company Customer Payment Centers

ISSUE DATE: June 5, 1990

DOCKET NO. P-421/C-90-305

ORDER DENYING COMPLAINT

PROCEDURAL HISTORY

On April 26, 1990, the Department of Public Service (the Department) filed a complaint with the Commission against Northwestern Bell Telephone Company (NWB or the Company). In the complaint the Department sought an order from the Commission directing NWB to: (1) reopen those Customer Payment Centers already closed and keep open the remainder of the Centers; and (2) provide all services in the Customer Payment Centers which are required under Minn. Rules pt. 7810.1000.

On May 8, 1990, NWB filed a response to the Department's complaint.

The matter came before the Commission on May 15, 1990.

FINDINGS AND CONCLUSIONS

Facts

As of January 1990, Northwestern Bell Telephone Company had Customer Payment Centers located in three places in the state of Minnesota: Duluth, Minneapolis and St. Paul. At these Centers, NWB customers could pay their telephone bills directly to Company employees. Company staff could accept payments but were not trained to resolve billing errors or provide information regarding service or rates.

In February of this year, NWB posted notices and gave customers informational fliers regarding a forthcoming closing of the Duluth Payment Center. On March 30, 1990, the Company closed the

Duluth Center. Representatives of the Company then informally notified Commission staff that the Company intended to close the Minneapolis and St. Paul Payment Centers in May or June, 1990.

The Company stated that it planned to replace the Customer Payment Centers with a system of Payment Agencies located in designated pharmacies or convenience stores. In the Twin Cities area, approximately 50 Holiday Stores would serve as Payment Agencies, as well as three locations in downtown Minneapolis and St. Paul. Customers could pay their bills to Payment Agents located within the sites. The Agents could accept payment on behalf of the Company, but would not be trained to answer questions regarding billing disputes or services. The Company planned to provide its Twin Cities customers with notice of the planned Payment Center closing, and a list of the alternative Payment Agencies and their locations.

Commission Consideration

Minn. Rules pt. 7810.1000 requires a telephone company to provide certain information to its customers and the public. The rule states that telephone business offices must provide customers and the public with information regarding services and rates. The business office staff must also be capable of adjusting erroneous charges and acting as representatives of the utility.

The Commission disagrees with the Department's view that the closing of NWB Customer Payment Centers will render the Company unable to provide the services required under Minn. Rules pt. 7810.1000. Even when the Company had all of its Customer Payment Centers fully operational, staff at the Company business office, not the Payment Centers, provided the required services pursuant to the Rule. Customers who wished to obtain information or to dispute a bill were referred by Payment Center staff to service representatives at the Company's business office. Service out of the business office was conducted by mail and by telephone. Requested information was sent by mail and sometimes supplied in meetings between customers and Company employees. Substitution of Payment Agencies for Customer Payment Centers will not significantly change the Company's method of providing services pursuant to the Rule.

Possible disadvantages of the new Agency system must be weighed against benefits to be gained. It is true that customers will no longer be dealing with employees of NWB when the customers wish to make direct payments at local centers. On the other hand, the Company has greatly increased the number of possible locations for direct payment. In the Twin Cities, the locations would be increased from two to three downtown sites, while approximately 50 other locations would be added. The Holiday Stores are open 24 hours a day, seven days a week, so hours of service would be greatly expanded. Parking is free and convenient at most of the new locations. Finally, the Company has made an effort to locate the new Agencies on or near bus lines to serve those who use public transportation.

The Commission concludes that the Company will continue to provide sufficient service under the new Payment Agency system to conform to Minn. Rules pt. 7810.1000. In addition, benefits to be gained from the new system will outweigh any possible disadvantages. The Commission will deny the Department's complaint challenging NWB's Payment Agency system.

At the same time, the Commission is aware that the system is new and untested. While relatively few customers pay their bills directly, their needs are important to the Commission. It is possible that in the future NWB customers may voice concerns or complaints about the system as it is implemented. For these reasons, Commission staff will monitor NWB's Payment Agency system and customer complaints, if any, and will report on the implementation of the Plan to the Commission.

ORDER

1. The complaint filed by the Department of Public Service against Northwestern Bell Telephone Company is hereby denied.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)